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FISCAL IMPACT REPORT

SPONSOR Tripp ORIGINAL DATE 1/23/2008
LAST UPDATED _____ HB 232
SHORT TITLE Socorro Belen Commuter Bus SB _____
ANALYST Moser

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$600.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

New Mexico Department of Transportation (NMDOT)

SUMMARY

Synopsis of Bill

House Bill 232 appropriates \$600 thousand from the general fund to the New Mexico Department of Transportation (NMDOT) for expenditure in fiscal year 2009 to operate commuter bus service between Socorro and the RailRunner station in Belen.

FISCAL IMPLICATIONS

The appropriation of \$600 thousand contained in this bill is a recurring expense to the general fund. The bill indicates that this appropriation would be nonrecurring. However, the establishment of a commuter bus service and route would imply an on-going activity and expenditure. Any unexpended or unencumbered balance remaining at the end of fiscal year 2009 shall revert to the General Fund.

SIGNIFICANT ISSUES

The NMDOT offers the following cost estimates, which are based on similar service being contracted out for Park and Ride, takes a 5% inflation rate into account, and does not include estimated farebox revenues. It is estimated that costs would be \$800 thousand per year to make

connections between the Belen RailRunner station and Socorro including a Friday late night connection for a 33-passenger bus or \$1.025 million for a 57-passenger motorcoach, not including gross receipts tax. On Park and Ride routes with similar trip lengths and at speeds traveled on the interstate, passengers have acknowledged their preference for the \$57 passenger motorcoach. The service would require three vehicles to make all connections.

NMDOT reports that Park and Ride routes are reevaluated every six months, so service would be evaluated and could be reduced to meet the trains with the most demand.

NMDOT indicates that, according to most current available data (2000 Census Journey-to-Work), there are 981 residents of Socorro County who commute to Valencia and Bernalillo Counties for work. A reasonable estimate of mode shift to the bus/train from a rural area, such as Socorro County, to a rural/suburban/urban landscape with densities such as Belen, Los Lunas and Albuquerque, would be 5%. This equals about 50 people who would shift to the bus/train mode. The estimated rider ship for a full year would be 12,500, and would likely result in an estimated 7.3% to 9.4% fare box recovery ratio at \$3 fare per one way trip.

OTHER SUBSTANTIVE ISSUES

NMDOT can not implement this route under its current contract for Park and Ride services. The estimated date of start-up would be December 2008 due to having to initiate a request for proposals for a contractor and establishing a lot in Socorro (estimated yearly cost of \$20,000 for maintenance and lease).

ALTERNATIVES

The NMDOT will be evaluating its Park and Ride service to Santa Fe once the railrunner begins service in December 2008. Plans are to curtail Santa Fe service and to redeploy Park and Ride services into other areas warranting service. This route, Socorro to Belen, should be considered under that evaluation.

GM/jp